

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF OREGON

UNITED STATES OF AMERICA,

3:17-cv-00794-BR

Plaintiff,

OPINION AND ORDER

v.

WILLIAM C. THOMPSON; MINH TAM
THOMPSON; LITECLAY, INC.;
MERDO, INC.; BRANCETON, INC.;
and DECORATIVE METAL
SERVICES, INC.,

Defendants.

BROWN, Senior Judge.

This matter comes before the Court on the parties' Joint Motion (#109) for Order of Foreclosure. For the reasons that follow, the Court **GRANTS in part** and **DENIES in part** the parties' Motion.

BACKGROUND

On May 22, 2017, Plaintiff filed a Complaint in this Court against William C. Thompson; Minhtam Thompson; Liteclay, Inc.; Merdo, Inc.; Branceton, Inc.; Decorative Metal Services, Inc.; and Washington County, Oregon, in which Plaintiff sought a judgment against William Thompson for his unpaid federal-tax liabilities including penalties and interest. Plaintiff also sought a determination that William Thompson is the true owner of the Newberg Property or, in the alternative, that William Thompson is the co-owner of the Newberg Property.

On July 17, 2017, the Court entered default against Defendant Decorative Metal Services.

On July 21, 2017, the Court entered an Order Approving Stipulation Between United States and Washington County in which Washington County was "excused from any further participation in this case."

On July 24, 2017, the Court entered default against Defendant Branceton, Inc. After this default the only remaining parties in this matter were William Thompson, Minhtam Thompson, Liteclay, and Merdo.

On April 16, 2018, Plaintiff filed a Motion for Partial Summary Judgment seeking a judgment against William Thompson for his unpaid federal tax liabilities. The Court granted Plaintiff's Motion on June 13, 2018, and concluded William

Thompson is liable for the taxes, penalties, and interest set out in the Complaint.

On November 2, 2018, the parties filed a Notice of Settlement in which they advised the Court that this matter had settled as follows:

Minhtam Thompson will pay the United States \$500,000 on or before April 15, 2020, and the United States will not foreclose its liens on the property (and the United States will agree that William Thompson has no interest in the property), if Minhtam Thompson does so.

On November 2, 2018, Plaintiff filed a Motion (#110) for Entry of Judgment and the parties filed a Joint Motion (#109) for Order of Foreclosure.

On November 6, 2018, the Court granted Plaintiff's Motion for Entry of Judgment and entered a Judgment in this matter in Plaintiff's favor and against William Thompson for taxes, interest, and statutory additions for the tax years at issue. The Court took the parties' Joint Motion for Order of Foreclosure under advisement.

On November 14, 2018, the parties filed a Joint Statement on Status of Corporate Defendants in which they advised the Court that Liteclay and Merdo "are signatories to the settlement agreement, and the agreement fully disposes of the United States' claims against them."

DISCUSSION

In the parties' Joint Motion for Order of Foreclosure the parties agree the sole remaining issue in this matter is "the true ownership of the Newberg Property," which affects whether Plaintiff is entitled to foreclose William Thompson's tax liens on that property.

According to the parties, they have reached a settlement regarding the ownership issue as follows:

Minhtam Thompson will pay the United States \$500,000 on or before April 15, 2020 . . . at which point the United States will agree that William Thompson has no interest in the Newberg Property, will agree not to foreclose Mr. Thompson's liens on the property, and will discharge the property from Mr. Thompson's liens.

If[, however,] Minhtam Thompson fails to pay \$500,000 by April 15, 2020, the United States will proceed with the foreclosure.

Joint Mot. at 2. In order to effectuate this agreement, the parties propose the Court enter an Order of Foreclosure and Sale, but stay that order until April 16, 2020. By April 15, 2020, one of two things will occur:

1. The United States will receive \$500,000 from Minhtam Thompson by April 15, 2020, and the parties will file a status report asking the Court to abrogate the order of foreclosure or
2. The United States will not receive \$500,000 from Minhtam Thompson by April 15, 2020, and the United

States will file a Motion for Order of Judicial Sale.

The Court is not opposed to staying the judicial sale of the property under the circumstances of this case. The Court, however, declines to enter a conditional Order that may have to be abrogated almost two years in the future.

The Court, therefore, **GRANTS** the parties' Joint Motion (#109) for Order of Foreclosure to the extent that the Court **STAYS** the foreclosure and sale of the Newberg property until **April 16, 2020**, or until Plaintiff advises the Court that it has received the funds from Minhtam Thompson.

If Plaintiff has not received the funds from Minhtam Thompson **by April 15, 2020**, the Court **DIRECTS** Plaintiff to file a Motion for Order of Judicial Sale, which the Court will address at that time.

IT IS SO ORDERED.

DATED this 15th day of November, 2018.

/s/ Anna J. Brown

ANNA J. BROWN
United States Senior District Judge